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Amelia L. Brown

Our File No.
0373-101-63

March 4, 1996

Mr. William F. Caton, Acting Secretary
Federal Communications Commission
Washington, D.C. 20554

RE: Comments Submitted by Western Radio Services Co., Inc.
In The Matter Of Interconnection Between
Local Exchange Carriers and Commercial
Mobile Radio Service Providers
CC Docket Nos. 95-185 and 94-54

Dear Mr. Caton:

On behalf of Western Radio Services Co., Inc., enclosed herewith are an original and 4 copies of Comments submitted in the above-referenced proceedings.

Kindly communicate any questions directly to this office.

Yours very truly,

Amelia Brown

Amelia L. Brown

Enclosures (5)

ORIGINAL

Before The

Federal Communications Commission

Washington, D.C. 20554

In The Matter Of Interconnection Between Local Exchange Carriers and Commercial Mobile Radio Service Providers	))))))	CC Docket Nos. 95-185 and 94-54

TO: The Commission

Comments

Western Radio Services Co., Inc. ("Western"), by its attorneys, respectfully files its comments in the above-captioned proceeding. In support hereof the following is shown:

I. General Comments

Western is a wireless carrier serving areas of Central and Eastern Oregon with a population of approximately 125,000 people. Western began providing two-way mobile service in 1978, one-way paging in 1980, and interconnected SMR service in 1990. Western has interconnected solely with U.S. West until October 1995 when U.S. West sold one of its exchanges.

Not only are the FCC's existing general interconnection policies not enough to encourage competition with LEC provided wireline service, they have had little effect on encouraging competition with LEC-affiliated CMRS providers. In Oregon U.S. West has negotiated contracts with cellular CMRS providers, including its affiliated cellular companies, with call termination rates lower than it offers to Western and other CMRS providers under tariff, or price lists.

II. Compensation for Interconnected Traffic between LEC and CMRS Providers' Networks.

A. Compensation Arrangements

1. Existing Compensation Arrangements

In Oregon, CMRS providers pay the LEC, U.S. West, for terminating mobile to land calls. The CMRS providers receive no compensation for terminating LEC originated calls. The CMRS providers pay the cost of dedicated facilities.

2. General Pricing Principles

Attachment A hereto are excerpts from U.S. West's Price List showing mobile to land termination costs for both Type I and Type II interconnection. Type II interconnection is available only to cellular CMRS providers on a contractual basis. U.S. West claims the contracts incorporate the price list charges, but they refuse to furnish copies of the contracts. The State of Oregon does not regulate CMRS interconnection. U.S. West sets the terms and conditions unilaterally for non-cellular CMRS interconnection. The price list becomes effective after it is filed with the State.

Western questions the accuracy of Pacific Telesis' claim (NPRM at note 60, page 21) that 94% of CMRS traffic terminates on its wireline network. Last year on Western's two-way system, 58% of the traffic was terminated on the LEC. Neither Pac-Tel's nor Western's figures consider pager traffic or mobile telephone users who take their incoming calls on a pager. Some cellular equipment manufacturers are even incorporating pagers into cellular mobile and portable equipment so this must be a common practice in other areas, also.

There is no traffic imbalance in this area. When increased competition and deregulation in California drives airtime charges down to what they are here, more customers are likely to give out their wireless numbers, and a more balanced flow of traffic will result.

Western is unaware of any CMRS provider that is being compensated for terminating LEC calls, and other commentors indicate that mutual compensation is a rare occurrence. Western sees little point in debating whether reciprocal or cost-based compensation is best when the whole concept has been ignored by the industry for so long. One point Western would like to make is that the peak traffic on two-way mobile systems occurs during the morning and afternoon drive times, which does not coincide with the traffic peaks caused by the LECs own subscribers. There may be no increase in LEC cost caused in LEC cost caused by CMRS traffic.

3. Pricing Proposals

Western thus favors pricing on a "bill and keep" basis, not only in the interim, but permanently. When two-way mobile, and one-way pager traffic are considered together, the traffic is close to balanced. Because the peak traffic periods on CMRS systems do not coincide with peak traffic times on LEC networks, the incremental cost is minimal. Furthermore, it is a plan that does not require an army of attorneys, accountants, and computer programmers, and years of delay to implement. The LECs that had such difficulty with the concept of "Mutual Compensation" should be able to understand "zero."

The principle of "bill and keep" should apply on a LATA-wide basis not just locally. LEC networks use switches and their own radio and wireline facilities and dedicated facilities paid for by the CMRS to interchange traffic with CMRS providers. LEC networks extend to the LATA boundaries and sometimes cross state lines. LECs collect flat rate access, measure usage and toll charges from their customers. CMRS networks use switches, their own radio and leased LEC owned facilities and dedicated facilities paid for by the CMRS to interchange traffic with LEC systems. CMRS networks can serve multiple LATA's and frequently cross state lines. CMRS collect flat rate access, measured usage and toll charges from their customers. Even "bill and keep" on a LATA wide basis is favorable to the LEC because the CMRS is paying for the dedicated facilities between the two networks.

B. Implementation of Compensation Arrangements

1. Negotiations and Tariffing

Just like "Mutual Compensation" the Commission's "good faith contractual negotiation" requirement has been a failure. Although the requirement extends to negotiations with non-cellular carriers, in Oregon U.S. West has only negotiated with the large cellular CMRS providers including its affiliated companies. The result of this failure by the LECs to comply with the FCC's good faith mandate has been that Western and other similarly situated carriers, who do not negotiate, have to pay higher costs.

Tariffing is the best solution: Tariffing gives the LEC an incentive to reach compensation agreements with all CMRS providers before the LEC's Tariff is filed. Tariffing gives the Commission the

opportunity to monitor the process and ensure that its policies are being carried out. LEC should be required to provide the cost basis for their charges. This should not be a significant burden for the industry. The costs should not vary much by State, geographic area, or even individual LEC territories.

2. Jurisdictional Issues

The LECs are not going to want to give up state regulation. Large LECs expend considerable effort lobbying State Legislatures and State Regulatory authorities. In some states one large LEC is the monopoly owner of the state communications infrastructure. A well maintained and efficient communications infrastructure is necessary for growth and economic developments in the state. Nothing short of specific federal requirements for interstate and intrastate interconnection will change the fact that the states interests will frequently be the same as the monopoly LEC.

In the early 1980s the LECs and the radio common carriers convinced the Oregon Public Utility Commission ("OPUC") that interconnection terms should be determined by a negotiated contract. Later the LEC decided it preferred a unilateral tariff, and so did the OPUC. Western tried to convince the OPUC that it should follow FCC guidelines on interconnection and that the terms should be cost based and nondiscriminatory. The OPUC had no interest in following Federal guidelines. The state's position was that its rules did not require cost based interconnection, and they allowed discriminatory pricing of interconnection costs between competing wireless carriers. Recently U.S. West convinced the Oregon

legislature to make wireless interconnection a "nonessential service," and not subject to state regulation.

On Western's relatively small network, mobile users can originate and terminate calls in the adjoining states of Washington, Idaho, Nevada, and California. The LATA in which Western interconnects in Oregon includes the heavily populated areas of southwest Washington. In Western's case, both the CMRS and the LECs are transporting interstate traffic. It is impossible to determine on Western's system whether the call is interstate or intrastate. Western agrees the Commission has the authority to require LECs and CMRS providers to adopt "bill and keep" compensation and it should do so on a LATA wide basis.

It is possible to separate dedicated facilities into interstate and intrastate components. However, one of Western's concerns is that when the LECs lose the revenue from federally regulated call termination charges they will attempt to make it up by increasing State controlled charges for dedicated interconnection facilities. This would be easy to do in Oregon because the state no longer regulates wireless interconnection. If there is to be a strong federal policy favoring a nationwide wireless network, there will have to be federal controls on the complete interconnection interface.

III. Application of These Proposals

Western has been providing service to fixed locations in competition with LEC services for more than 15 years. Western serves ranches, resorts, drilling rigs, construction sites, public and private campgrounds and rural residences. Although Western's monthly charges are higher than LEC charges, higher LEC costs for

extension of wirelines make CMRS service more attractive. Many of Western's rural residence customers are retirees who found some inexpensive land far from a town.

Some fixed users choose cellular or interconnected SMR service offered by competitors. Whether the application is mobile or fixed, the potential user is mainly interested in two things -- where does it work, and how much does it cost? Users do not care under what part of CMRS rules the service is offered, what frequency band the system operated on or whether the signal is analog or digital. No matter what CMRS systems the potential user chooses, such carriers should not incur a monthly surcharge because one CMRS system has different interconnection costs from a competitor. The application of federal interconnection policy should apply equally to all CMRS service providers.

Respectfully submitted,

WESTERN RADIO SERVICES CO., INC.

Richard L. Oberdorfer
Its President

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March 4, 1996

ATTACHMENT A

U S WEST COMMUNICATIONS, INC.
Price List
Oregon

EXCHANGE AND
NETWORK SERVICES
Effective: March 1, 1994

SECTION 102
Original Sheet 23

FACILITIES FOR RADIO CARRIERS

INTERCONNECTION

IV. RATES AND CHARGES

F. Type 2 (Cont'd)

3. Usage (N)

a. Measurement

Type 2 usage minutes or fractions thereof, the exact value of the fraction being a function of the switch technology where the measurement is made, are accumulated, by account, over the billing period for each Central Office the traffic terminates at and then rounded to the nearest minute at the end of the billing period.

- Only completed calls will be billed.
- Measurement is initiated when the Company returns Answer Supervision to the Carrier.

(1) The following rates apply to traffic terminating to the Company end offices and traffic terminating to Independent Local Exchange Carrier (ILEC) end offices on a local basis.

- Type 2A & 2B End Office Switching

	RATE
- Per Minute of Use on all mobile to land calls	$0.0214

- Type 2A Transport and Tandem Switching

- Per Minute of Use on all mobile to land calls	0.0041

(2) The following rate applies to traffic terminating to ILEC end offices on a toll basis.

- Fixed rate per minute of use	0.0824	(N)

NOTICE
THE INFORMATION CONTAINED IN THIS DOCUMENT IS SUBJECT TO CHANGE

U S WEST COMMUNICATIONS, INC.
Price List
Oregon

EXCHANGE AND NETWORK SERVICES
Effective: November 8, 1993

SECTION 102
Original Sheet 15

FACILITIES FOR RADIO CARRIERS

INTERCONNECTION

IV. RATES AND CHARGES

D. Type 1

6.a.(1) (Cont'd)

Airline mileages are determined by using vertical and horizontal grid lines which have been established across the United States. The spacing between adjacent vertical grid lines and between horizontal grid lines represents a distance of one coordinate unit. A four-digit vertical (V) and a four-digit horizontal (H) coordinate are computed for each central office from its latitude and longitude location on a map. The intersection of the horizontal grid and the vertical grid identifies the V and H coordinates. The distance between any two Central Offices is the airline mileage computed between their respective coordinate intersections. The rates applicable to mileage bands are provided below.

Charge per Minute of Use on all mobile to land calls in the following mileage bands:

MILEAGE	RATES
0 - 1	$0.00650
Over 1 - 8	0.01080
Over 8 - 16	0.01520
Over 16 - 25	0.04500
Over 25 - 50	0.04930
Over 50 - 100	0.05370
Over 100	0.05800

(2) Traffic terminating to ILEC end offices on a toll basis.

Fixed rate per minute of use $.0972

U S WEST COMMUNICATIONS, INC.
Price List
Oregon

EXCHANGE AND NETWORK SERVICES
Effective: November 8, 1993

SECTION 102
Original Sheet 14

FACILITIES FOR RADIO CARRIERS

INTERCONNECTION

IV. RATES AND CHARGES

D. Type 1 (Cont'd)

6. Usage

a. Measurement

Type 1 usage minutes or fractions thereof, the exact value of the fraction being a function of the switch technology where the measurement is made, are accumulated, by account, over the billing period for each Central Office the traffic terminates at and then rounded to the nearest minute at the end of the billing period.

- Only completed calls will be billed.
- Measurement is initiated when the Company receives Answer Supervision from the End Office of the called party.

(1) Traffic terminating to USWC end offices and traffic terminating to Independent Local Exchange Carrier (ILEC) end offices on a local basis.

- Switching

Charge per Minute of Use on all mobile to land calls $0.01440

- Transport

Transport mileage is measured by the airline mileage between the Dial Tone Office and the Central Office where each call terminates. Airline mileage is determined using the V&H (Vertical and Horizontal) coordinates of these two points.

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TRANSMITTAL NO. 3917

U S WEST COMMUNICATIONS, INC.
Price List
Oregon

EXCHANGE AND NETWORK SERVICES
Effective: November 8, 1993

SECTION 102
Original Sheet 14

FACILITIES FOR RADIO CARRIERS

INTERCONNECTION

IV. RATES AND CHARGES

D. Type 1 (Cont'd)

6. Usage

a. Measurement

Type 1 usage minutes or fractions thereof, the exact value of the fraction being a function of the switch technology where the measurement is made, are accumulated, by account, over the billing period for each Central Office the traffic terminates at and then rounded to the nearest minute at the end of the billing period.

- Only completed calls will be billed.
- Measurement is initiated when the Company receives Answer Supervision from the End Office of the called party.

(1) Traffic terminating to USWC end offices and traffic terminating to Independent Local Exchange Carrier (ILEC) end offices on a local basis.

- Switching

[redacted]

[redacted] Airline mileage is measured [redacted] between the Dial Tone Office and the Central Office where each call terminates. Airline mileage is determined using the V&H (Vertical and Horizontal) coordinates of these two points.

[redacted]

NOTICE

THE INFORMATION CONTAINED IN THIS DOCUMENT IS SUBJECT TO CHANGE [redacted]